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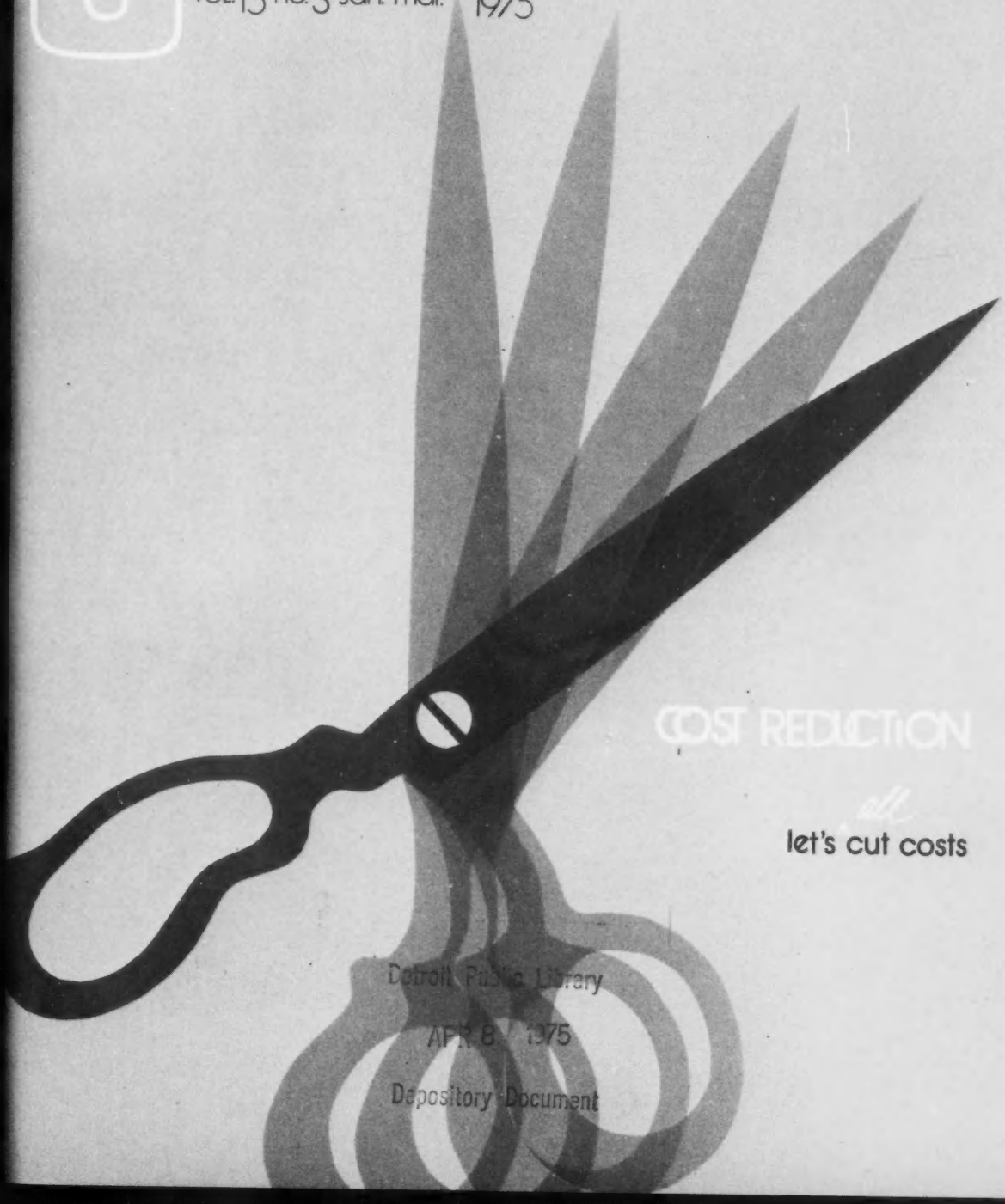
CIVIL SERVICE JOURNAL

U.S. CIVIL SERVICE COMMISSION
VOL. 15 NO. 3 JAN.-MAR. 1975



COST REDUCTION

let's cut costs

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U.S. CIVIL SERVICE COMMISSION

Chairman Robert E. Hampton
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Editor Sylvia J. Bayliss

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WORTH NOTING

☐ REVISED EXECUTIVE ORDER on labor relations. Significant changes in the basic operation of the Federal labor-management program have been adopted by the President in E.O. 11838, which amends E.O. 11491, generally effective 90 days from date of issuance (February 6, 1975). The principal changes in the program expand the scope of bargaining by permitting negotiated agreements to override many, but not all, layers of agency regulations and enabling unions to consolidate their gains and deal at a higher level in an agency's organizational structure. The changes also permit unions to grieve alleged violations of agency regulations before impartial arbitrators and bar unilateral changes in agency personnel policies. Whereas E.O. 11491 took away the right of unions to organize Federal guards if they also represented non-guards, the changes permit a return to the former policy.

☐ PUBLIC SERVICE BRIEFING initiated. The U.S. Civil Service Commission has announced the establishment of a public service briefing program for new policy executives, to be managed by the Commission in cooperation with the White House and the Office of Management and Budget.

The purpose of the new program is to assist individuals in their transition to major public offices by informing them about Government processes and policies.

Although the idea for such a briefing dates back to the 1950's, this represents the first time

(Continued—See Inside Back Cover)

STRETCHING THE MANPOWER DOLLAR

by Robert E. Hampton
Chairman
U.S. Civil Service Commission

PRESIDENT FORD has challenged Federal agencies to use initiative, imagination, and sound managerial judgment to get the most from every personnel dollar. This concern is a major focus of the new allowance letters recently issued by the Office of Management and Budget. In approaching the need for cost reduction in this way, the President has given Federal managers a greatly preferable alternative to the harsh across-the-board measures to cut personnel costs that have often been imposed in the past.

This is an opportunity that all of us with personnel management responsibilities should welcome. There are many ways in which we can trim personnel costs without reducing the effectiveness of our operations. If we succeed in meeting the challenge, we can set the pattern for the future; if we fail, we can anticipate less desirable approaches, such as hiring and promotion freezes.

The President's concern accents the importance of cost-effectiveness in Federal personnel management, with the Nation facing the dual dangers of continuing inflation and deepening recession. Prudent and efficient management is always necessary, even in times of prosperity. Rising personnel costs contribute significantly to increasing Government expenses and we must slow the trend. All Federal managers, supervisors, and employees are being called upon to make an immediate commitment to actions that will assure greater cost-effectiveness in personnel management.

The critical need for more attention to cost-effectiveness in personnel management becomes evident when you examine personnel costs in the context of the national budget. Nearly three-fourths of the $300-billion-plus budget is accounted for by so-called "uncontrollables"—contractual obligations, and relatively fixed costs such as defense procurement obligations, veterans and social security benefits, and interest on the national debt and trust funds. Personnel costs—civilian and uniformed—make up the lion's share of the remaining fourth.

It is clear that any intelligent cost-reduction effort in the National Government must focus on personnel costs. The hard fact is that inflation has been steadily driving up personnel costs because of the substantial pay increases required by law each year to maintain comparability with the private sector. For example, in fiscal 1975 civilian personnel costs are running $35.5 billion a year (including postal salaries); in fiscal 1976, the annual cost will rise to $38.9 billion. But if Federal pay increases are limited to the 5 percent ceiling called for in President Ford's State of the Union message, total civilian salaries for fiscal 1976 will be $38.0 billion.

Agencies are being asked to direct special attention to specific areas with potential for savings. These include: scrutinizing vacancies, improving hiring practices, monitoring promotions, considering organizational improvements, sharpening training, and using incentive awards more effectively to encourage cost reduction. But the areas singled out for attention should not limit our efforts.

Scrutinizing Vacancies

Vacancies resulting when thousands of employees take advantage of the latest cost-of-living annuity increase, plus losses through normal turnover averaging over 50,000 per month, provide prime possibilities for reducing personnel costs. Vacancies should be filled only if it is important to do so and there is no more economical way to do the work.

In other words, we should *routinely* consider alternatives:

- First, can the job be abolished? In answering this question, consider the possibility of redistributing essential duties among other positions.
- If the job can't be abolished, can it be re-engineered and established at a lower grade, retaining only those duties that are absolutely essential? One possible option is to establish a developmental

position one or more grades below the previous level.

Improving Hiring

When the general employment market is tight, the quantity and quality of applications for Federal jobs increases in proportion. Applications are now at an all-time high. The quality of eligibles is unexcelled—at least since the 1930's. We have a buyers' market. Except for a few shortage-category fields, we don't have to pay a premium to compete. These conditions coincide with the introduction of the new PACE examination for recruiting entry-level professionals in many occupations, with features that should make possible better matching of skills with jobs.

This is a good time to reexamine and adjust our career-intake programs. We should be able to hire outstanding college graduates at grade GS-5. The need to appoint bachelor's degree applicants at GS-7 should be rare.

We should also be able to restructure realistically many positions previously filled at grade GS-5 to attract highly qualified applicants at grade GS-4 through the Junior Federal Assistant examination.

Not only can we thus achieve substantial cost reductions, but we will be able to offer improved career ladders and upward-mobility opportunities for greater numbers of people.

Greater use of part-time employees should also be explored, both to take care of peak workloads and for on-going situations where less than a full-time worker is needed. This can reduce costs on the one hand, while at the same time opening employment opportunities for many highly qualified people, such as women seeking to return to the work force as their children become older.

Monitoring Promotions

Few management actions are more damaging to employee morale and productivity than freezing promotions. But it just makes good management sense to establish policies and controls to assure that promotions are made only when fully justified.

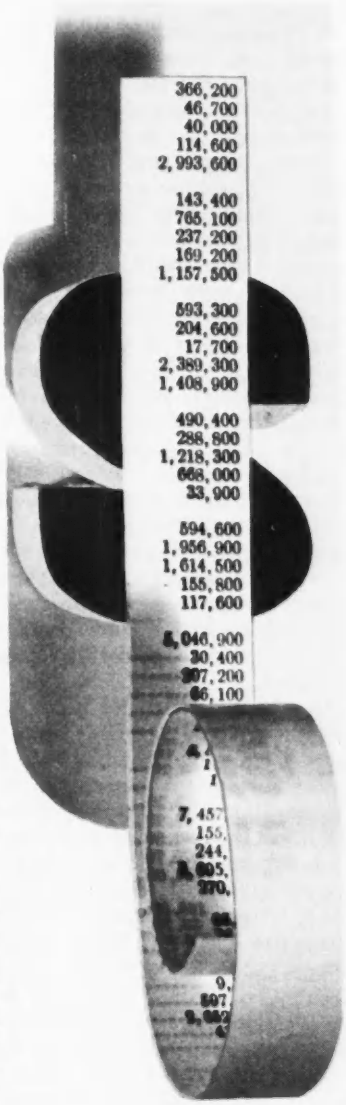
This is a long-time hobby horse of mine, and now is the right time to ride it hard. I believe that over the past decade or more, Federal managers have tended to promise and deliver too much in the rapid advancement of employees through career promotions, leading employees on career ladders to expect advancement automatically after completion of each year in grade. Maybe there was an excuse for this practice in shortage-category occupations, in order to retain employees in a highly competitive job market. But even critical shortage circumstances cannot justify promotions when individual job performance is marginal or barely satisfactory.

In more "affluent" times when government managers were perhaps less concerned than necessary with the cost-effectiveness of personnel practices, I fear that there was a laxness with regard to promotions. In these times, however, such laxness certainly makes no sense when, except for a few fields, applicants are beating at our doors in record numbers.

I would be the first to recommend prompt career-ladder advancement for the really outstanding employee; but I would be the last to agree to automatic promotion solely on the basis of time in grade. The standard has to be *demonstrated ability* for full performance at the higher grade level, not *prospective anticipation* of developing full performance sometime after promotion. And now is the time to apply this criterion.

Organizational Improvements

In our evaluations of personnel management in Federal agencies, one of the most common faults we



find is overly fragmented organization structure and excessive supervisory layering. Such practices usually cause individual employees to be underutilized and oversupervised; they often result in misclassification of jobs. This is wasteful of tax money and an impediment to efficient operations. For government managers to be unmindful of their responsibilities in this regard is inexcusable.

A first step, therefore, should be a hard look at how agencies and their components are organized, with the objective of streamlining structure by reducing reporting levels. A second step is to look at how the work is organized in terms of individual jobs. Are all those high-grade positions really necessary? In the process bear in mind that there is no law or regulation that requires that a manager or supervisor must be a grade higher than those reporting to him. The traditional pyramid structure may be pretty; but it can also be pretty expensive.

This leads me naturally to another long-time personal crusade—elimination of unnecessary deputy, assistant, special assistant, and assistant-to-positions.

In our evaluations of agency personnel management, we are going to take a harder look at organization and position structure, and we are requiring agencies to do the same in their own evaluations. Building lean and effective organizations is one of the best ways managers have for assuring the taxpayer gets his money's worth in government operations.

Sharpening Training

In a budget crunch, many managers have a tendency to turn first to training as a prime cost-reduction prospect. This is unfortunate. Not that training should be exempted from cost-reduction efforts; but it should be done with a scalpel rather than a meat ax.

I deplore training for the sake of training, and I suspect we are not getting full value from many training courses and programs. But we should sharpen our aim in determining training needs and priorities and in trimming nonessentials from training costs. We need to examine and apply a good cost-effectiveness yardstick.

The Commission's Bureau of Training has developed two excellent measuring devices that agencies should find useful in this regard, and now is a good time to put them to use. I refer to the Training Cost Model, which provides guidance for predicting costs of training courses, and Training Value Model I, which enables you to predict return on training investments. These are too technical to discuss here, but copies and information about them can be obtained from our Bureau of Training or our Regional Training Centers.

Another step should be to examine how determinations are made as to which employees get what training, with a view to improving practices to make certain that unnecessary training is eliminated and that proper selec-

tion practices are used to assure the greatest return on training investments. And much work needs to be done to improve the evaluation of training; are you getting what you pay for, and is it worth the price?

Better Use of Incentive Awards

In its 20 years of operation, the Federal Incentive Awards program has produced over $4 billion in savings for the Government. This is a great record in which we can take pride; but what is past is merely a prolog to what can be.

Recognizing its greater potential for contributing to cost reduction, President Ford has urged agencies to give the incentive awards program increased emphasis. The Commission will be working closely with agencies in promoting this special effort.

A Call for Action

The foregoing, of course, represents only a starter list of possibilities for achieving cost reduction through effective personnel management. Agency managers, with the aid of their personnel offices, will be able to identify many others because of their familiarity with their own organizations, programs, and work forces.

In all these efforts, of course, agency managers are reminded of their responsibilities to work with employees and their union representatives under the Federal labor-management relations program. The concerns in this area are two-fold. First, since any efforts toward improving personnel practices impact directly or indirectly on employees, their views and concerns should be solicited and considered; second, and equally important, employees and their representatives can make significant contributions toward ideas for achieving cost reductions through improved work procedures and other personnel practices. Management has no monopoly on innovativeness, productivity improvement measures, or desire to increase the efficiency and effectiveness of agency operations.

Effective internal evaluation of agency personnel management is central to cost-reduction initiatives, especially the setting of clear objectives and developing action plans to achieve them, monitoring progress and getting feedback on results, and identifying and dealing with problems.

In a memorandum for heads of departments and agencies, I have asked for a summary of agencies' cost-reduction achievements and additional results they expect to achieve in this fiscal year and next. This information will be used to provide a report to the President and to serve as the basis for sharing productive ideas with other agencies.

The Civil Service Commission has developed plans to support agency cost-reduction efforts in a number of ways. Our evaluation program will put greater emphasis on all the initiatives outlined here, to gauge the effectiveness of agency efforts, and to insure that agency evaluation systems focus effectively on cost-reduction needs and accomplishments.

We will also expand our consultation with agencies on major classification actions, especially on proposed reorganizations with significant position management and classification implications, and on proposed upgradings of significant numbers of jobs.

We will also be working to improve our recruiting and examining processes to do a better job of matching available candidates with vacant positions, to promote more effective employee performance, and to reduce turnover resulting from mismatches between persons and jobs.

In the employee development area, we will accelerate our efforts to develop alternatives to instructor-delivered formal training, including off-the-shelf individualized learning packages, video-assisted training, and programmed learning texts. We will also speed up the schedule for handing off Commission-developed training packages to agencies.

I am convinced that the combined efforts of agencies and the Civil Service Commission can produce substantial and relatively painless cost reductions through more effective personnel management. We have the know-how and the ability. I believe we also have the motivation to respond to President Ford's challenge. We have a golden opportunity to demonstrate how the application of modern personnel management techniques can contribute to more economical and efficient government operations.

Let's show what we can do! #

EMPLOYMENT FOCUS

Information, Analysis, and Cost-Effectiveness

In an introduction to "Cost-Effectiveness Analysis" (Washington Operations Research Council, 1967), Edward S. Quade of RAND Corporation says, "The need for considering cost in relation to effectiveness must have occurred to the earliest planners." Nevertheless, cost-effectiveness, cost benefit, productivity, systems analysis are vogue terms very much in fashion now. They are also very much interrelated, and perhaps still very much confused.

The objective of this article is to briefly relate method (analysis) to the goal of cost-effectiveness and to indicate where in the scheme of things information systems and related management sciences should be considered. Finally, a look will be taken at a few examples of recent experience utilizing the Commission's Central Personnel Data File in the context of cost-effectiveness.

Mr. Quade, in the article cited above, broadly defines "cost-effective analysis" as "any analytic study designed to assist a decisionmaker in identifying a preferred choice among possible alternatives." Cost-effectiveness then is the end, and analysis the means.

Without belaboring the point, numerous other terms, including systems analysis, convey much the same meaning. There is perhaps a more subtle distinction between cost-benefit and cost-effectiveness terminology. Although a chicken-and-egg type of situation, benefit connotes the "what" of what you are getting for the money, while effectiveness deals with the "how" or "how-well."

In either case, if a choice among alternatives is to be made, analysis is the means to that choice. Although we will not itemize nor discuss specific techniques in this article, a review of the management sciences, under which we will include the use of information systems as well as quantitative and other analytic techniques, may prove helpful. It is to be hoped that technical support is becoming more readily available and is being utilized by managers at various levels and functional areas.

More pertinent to our discussion here is when and where the manager should consider assistance from the management sciences (scientists) in his quest for cost-effectiveness. Within the frame of reference of a program or project management situation, the contention is that the use of analytic techniques and support should be considered before, during, and after implementation. Let's look at these three stages more specifically.

From the standpoint of cost-effectiveness as well as cost-benefit analysis, the *before* or planning stage is most critical. There are several aspects to be considered here, including the choice among alternative programs; the choice among alternative means of implementation of chosen programs; the control and feedback requirements during operation; and the measure and means of evaluation.

No one will argue that management has and will continue to become more complex in all functional areas, including personnel management. As Logan M. Cheek indicates in his article, "Cost-Effectiveness Comes to the Personnel Function" (Harvard Business Review, May-June 1973), " . . . the problem of managing the personnel function has been compounded . . . the sophistication of personnel programs has increased arithmetically, while the complexity of choosing the best ones and managing them has increased geometrically. While all personnel costs are direct and visible, most benefits are indirect and often intangible." The result is, of course, an increased burden on personnelists to analyze their programs in the context of cost-effectiveness.

Mr. Cheek goes on to introduce and describe a systematic framework to allow project (program) evaluation and ranking for alternative decision-making. As in any analytical approach, the benefit may be more in the "discipline it instills" in encouraging more vigorous assessment than in the method itself, but the article serves to illustrate the point that cost-effectiveness starts with a sound choice of programs. In like manner, part of the planning may involve choices of means of implementation, and here again analytic tools and information systems may be used to advantage.

One could question why you should consider control, feedback, and measures and means of evaluation during the before phase, but from a cost-effectiveness viewpoint these are, in my opinion, critical considerations before implementation of any program or project. Assuming that personnel programs are planned activities against goals and objectives, it is extremely important that planning consider the informational and measurement requirements at the outset.

It is difficult, for example, to measure the impact or effectiveness (cost or otherwise) of a particular staffing-placement program or classification program or awards program, etc., during or at the end of a year of operation if (a) no measurement criteria *and* (b) no information system were established for use by the program manager before implementation.

During operation, the management function of control comes into play. The information system with feedback and, as applicable, quantitative analysis and measurements against expected values or goals are

possible valuable aids for cost-effectiveness decisionmaking. The techniques of quality control, in the context of a total quality assurance program, for example, have applicability far beyond the repetitive operations of an assembly line. Another aspect is the effective use of existing information systems and of the management sciences for making informed decisions in day-to-day operations of the organization.

In the *after* completion stage—of a project, or a year of operation—the evaluation phase can be extremely useful for cost-effective decisions concerning both existing or future programs. For ongoing systems the time and effort for reevaluation can enhance their cost-effectiveness.

As William Capron, formerly Assistant Director of OMB's predecessor organization, the Bureau of the Budget, stated (in the Washington Operations Research Council publication already cited): "In some cases, for programs which have endured over a long period of years, purposes or objectives have changed—sometimes without the awareness of their administrators—and the new definition of the objective and search for an indicator of achievement represent great progress by themselves."

From the information system viewpoint, I would like to reemphasize that effective and efficient evaluation at the end is dependent upon clear and explicit definition of planning requirements, to the maximum extent possible, at the beginning.

Here are a few examples of our recent experience in activities where the use of an information system and/or statistical methodology has proved cost-effective.

The Civil Service Commission's Central Personnel Data File (see "Information for Decisionmaking," *Journal*, Vol. 15, No. 2) is rapidly becoming a major data source for both Government managers and private users. The CPDF, supported by routinized input from most Federal agencies, has resulted in a reduction of periodic statistical reporting requirements from participating agencies, while allowing the Commission more flexibility in combining data elements on work force characteristics for more timely, detailed, and effective information.

It is interesting to note that over 30 major reports were produced during an 18-month period for users outside the Civil Service Commission, including the Congress, the White House, the General Accounting Office, other Federal agencies, State Governments, and nongovernment organizations. Most of these reports would have required extensive surveys and/or data collection by agencies, with accompanying time and cost implications. These surveys inevitably would have had to compromise survey cost with information detail to the detriment of the programs requiring the information.

In addition, the Office of Management and Budget receives monthly and other periodic management reports, which has resulted in the deletion of average-grade reports direct from agencies. Internally within the Commission the data system is utilized for both recurring reports and special analyses, including training, pay, and occupational data that would be much more costly and less timely if special summarized agency input were required. Hence the cost-benefit-effectiveness of the availability of the central data base to the users and to the Government is apparent.

Moreover, in combining availability of the information with appropriate mathematical and statistical techniques, other studies can be made in a more cost-effective manner. A good example of this was the recent study on *Classification Accuracy in GS Grade Levels 12 Through 15* performed by the Commission's Bureau of Personnel Management Evaluation. Through the use of CPDF data output, the application of Chi-square analysis, and input from subject matter (classification) experts, BPME was able to focus on occupations and agencies with significantly different (from expected) employment distributions, and to do the job much more cost effectively.

We are continuing to work with BPME and other offices within the Commission on application of sampling techniques to various studies, and to do some basic research in modeling for determining indices for program evaluation in such areas as equal employment opportunity.

We have seen only the beginning of how the central information systems and application of management sciences can assist in cost-effective decisionmaking in personnel management. Although somewhat of a truism, it is worthwhile to note that while information cannot guarantee program success, the lack of information can certainly inhibit that success. Information systems and management science techniques are not panaceas, but they do offer a valuable source of potential assistance in an increasingly complex managerial environment.

—John E. Curnow

in supply,
facilities,
procurement,
etc.

GETTING THE MOST FROM THE TAX DOLLAR

by Dwight A. Ink
Deputy Administrator
General Services
Administration

DURING the past two decades, the magnitude of government operations, including the State and local sectors as well as the Federal, has grown many-fold. These years have witnessed significant economic and social changes in our dynamic society. As the country undergoes the pressures of severe economic conditions, public officials are called upon to develop and implement innovative programs to solve the problems at hand.

Today, more than ever, the importance of effective cost reduction in government is again being given the recognition it deserves. However, as in the case of most efforts, truly effective cost reduction occurs only through a well-coordinated program that involves strong leadership at all organization levels and broadly based participation on the part of all employees.

With the transfer of a number of management activities from the Office of Management and Budget to GSA in 1973, we are becoming deeply involved with other departments and agencies in a series of interagency efforts designed to improve management and reduce costs. These activities are primarily in the area of finance, procurement, property, and ADP management, as well as general management systems development, including intergovernmental problems.

Through this article, we will mention several activities with cost-reduction potential, which involve virtually every department and agency in the executive branch.

Energy Conservation

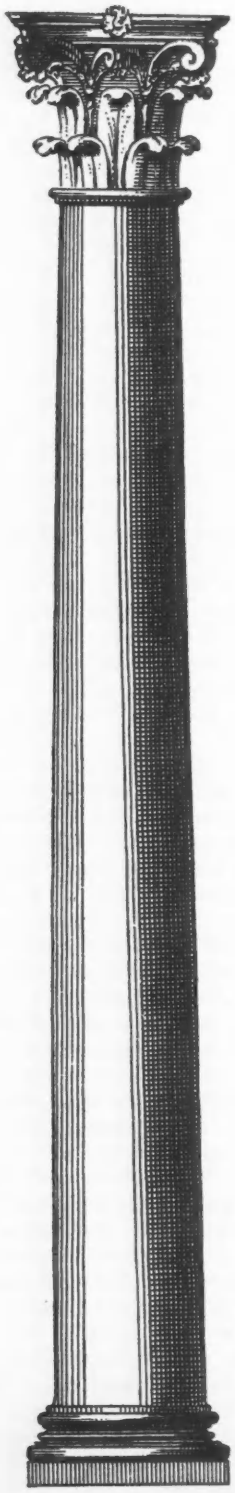
The Arab oil embargo brought most of this nation to the realization that energy conservation is extremely important to us, at least for the next few years until our domestic energy supplies more nearly match our rapidly increasing demand for energy. Less well understood is the fact that the majority of energy conservation measures also save dollars. The basic energy policy document for all government agencies is Federal Management Circular 74-1 in the area of motor vehicle management, employee parking, and heating, cooling, and lighting of buildings.

Let's take a look at some of the savings in Fiscal Year 1974 that have accrued from the implementation of FMC 74-1:

- a 24 percent overall reduction in energy consumption and $725 million in cost avoidance;
- an increase in parking spaces used by carpools, from 183,000 in March 1974 to 315,000 in June 1974;
- a reduction from 211 to 12 in the number of large sedans and limousines used by Federal officials;
- purchase of about 9,000 fuel-efficient compacts for the Interagency Motor Pool;
- and a shift of 6,200 building maintenance personnel to daytime shifts in some 2,400 buildings, to assure maximum energy savings.

Many of our energy-related activities are focusing on long-term efforts. GSA has initiated a major effort to revise and reissue its publication, "Energy Conservation Design Guidelines for Office Buildings." This book contains over 185 ideas for conserving energy in the design, construction, and operation of new buildings. It is the first comprehensive energy criteria ever printed for the building construction industry.

Many of the ideas in the publication were obtained from GSA's demonstration energy reduction building in Manchester, N.H. When completed, this building is



expected to operate on about 40 percent less energy than standard buildings and could well serve as a prototype for both public and private buildings.

Similar guidelines are nearing completion for conserving energy in existing buildings.

Federal Building Fund

The new Federal Building Fund, which became operational on July 1, 1974, is designed to provide all of us with stronger incentives for better utilization of office and other common-purpose space. The Fund is authorized by Public Law 92-313 (June 16, 1972), which requires all executive agencies utilizing building space and related services to pay a commercially equivalent rate. Now agency budgets will also better reflect total program costs since, in the past, space costs have been excluded from program costs.

We believe this Fund will be an important step toward insuring more effective utilization of space. However, it is a major new system involving many changes, and as such, has many growing pains. We are in the shakedown period and estimate that we will not know until the end of FY 1975 how useful it is.

Office Excellence

As a result of a program that GSA terms Office Excellence, established in 1971, Federal Government offices are being transformed over a period of time into colorful, interesting work environments, with fixed walls often being replaced by movable screens, and with carpets and drapes and color.

This is a program in which every Federal employee can participate. If you are not familiar with it, I would suggest that you ask your supervisor to provide you with information on how you can participate. (A booklet is available describing the program. "Office Excellence: Planning and Designing Today's Federal Office" is available from GPO, stock number 2204-00006. Or single copies may be obtained on request from Office of Space Planning and Management; Space Management Division; Room 2314; General Services Administration; Washington, D.C. 20405.)

Three million Federal employees spend their working days in GSA-controlled space. Therefore, we are concerned not just with the timely completion and sound financing and safety of construction projects, but also with the architectural and interior beauty of the buildings in which Federal employees work. The days of the "Depression look" in office design, standard for years, are rapidly disappearing.

Surprisingly, the Office Excellence program *cuts* costs rather than increasing expenses. An average of 20 percent of the space normally occupied by fixed partitions and the awkward arrangements they create is removed. This savings of space means a savings in dollars that can be used to improve the office environment with new carpets, modern furniture, and bright colors.

Systems Building

One of the significant techniques recently employed to reduce Federal expenditures is systems building, or "the systems approach to building." Performance specifications, based on user needs, are used to procure those major portions of a building (the building system) that are repetitive in nature, and lend themselves to standardization and marketing by industry on a nationwide basis. Life-cycle costing and long-term maintenance are included as a part of the systems bid.

This technique is presently being used on five large office buildings being constructed by GSA for the Social Security Administration. We have saved an estimated 15 percent on the construction of these projects, as compared to "conventionally" constructed office buildings, and the time for design and construction on these buildings has been reduced by about 25 percent. The systems approach to

building also contributes greatly to energy conservation.

Federal Assistance Program

The grant-in-aid system, involving over $50 billion a year, represents another potential for cutting costs, and one in which considerable effort has been expended in the past 5 years. Many thousands of different Federal requirements for State and local governments have been standardized under Federal Management Circular 74-7, leading to appreciably less administrative confusion and red tape for State and local governments seeking Federal funds.

Continued progress depends upon the extent to which new programs conform with governmentwide practices, rather than reverting to the earlier approach of each new program developing its own independent administrative requirements. Basic to this decision is whether we again begin to place our own parochial interests foremost, or whether we continue to think first in terms of the communities we are trying to help and the costly burden we place on them if agencies follow independent paths in establishing State and local requirements.

Both energy conservation and grant streamlining are areas in which the field offices carry the burden of the Federal effort. Federal Regional Councils and Federal Executive Boards provide us with the necessary interagency machinery for Federal agencies to work as a family to carry out the President's objectives. To be truly effective, however, they need much stronger support than they now receive from their agencies in Washington.

Productivity

Enhancing productivity has an important place in cost reduction and cost avoidance, but it has to be administered carefully and intelligently. Productivity data have many uses, an important one being that of an indicator of the productive efficiency of an organization. Or the data can be used to compare the cost with alternate services or alternate ways of delivering a single service. Such data also can be used to determine resource needs based on the desired level of output. It is particularly useful, for example, in assessing the worth of new equipment such as ADP and in enabling an organization to increase program output at a given level of cost.

The Federal Government was a pioneer in developing measures of private industry productivity and is stimulating the private sector to measure its own productivity. However, it has been only in recent years that the Government has made a concerted effort to measure its own productivity. In 1970, the Office of Management and Budget, the General Accounting Office, and the Civil Service Commission undertook a joint project to foster the use of productivity measurement systems in the Federal Government.

This project soon reduced to a myth the earlier erroneous view that, unlike private enterprise, Federal productivity does not increase. Too many critics of government have charged that the "lethargic bureaucrat" lacked the innovation and initiative to increase productivity. To the contrary, we have found that the Federal employee, despite many administrative complexities not shared by the private sector, does improve productivity and at a rate probably comparable to the private sector.

Nevertheless, in the interest of getting more for our dollars, we want to develop new and better ways of improving productivity, and at the same time—through the work of the Civil Service Commission—enhance the work environment of the Federal employee.

Factors that tend to improve productivity include job improvement, better communication, training, work simplification, program stability and predictability, adjustment of scale and technical advances through mechanization, modernizing facilities, and advances through research developments. Factors that tend to limit or reduce productivity include promotion freezes, high turnover, excessive travel, excessive and detailed approval procedures, uncertain or declining workloads, and bottlenecks in materials and supplies.

Value Management

Productivity is only one of many management techniques that is being given greater emphasis and can be utilized by all departments and agencies. Value management, for example, has been used very successfully in DoD, GSA, and other agencies to develop improved ways of carrying out various government functions.

We are now using contract incentive clauses to advance the value management effort, with emphasis on value management activities taking place early in a project when it is relatively easy to make changes and the payoff is greater. We are developing IDEA programs, a combined value management and suggestion program, which we hope will provide further incentive to managers and employees in seeking new ways of carrying out activities.

Financial Management

In the course of streamlining major elements of the massive grant-in-aid system, we made the startling discovery that none of these programs had accounting systems that developed the total administrative cost. It is difficult, if not impossible, to administer programs at minimum cost if many of the costs are unknown. Therefore, we are strongly encouraging agencies to develop the capacity to determine their administrative costs for each program.

During 1972, it was estimated that 10 major grant-making agencies devoted about 1,500 man-years

of Federal audit effort to grant programs. It is essential that we avoid confusion, overlapping, and duplication in making these audits. The General Services Administration has issued policies that provide procedures for a single Federal audit agency at one grantee or contractor location to make final determinations of allowable indirect costs.

Further, policies have been issued to provide that each Federal agency will give full consideration to establishing cross-servicing arrangements under which one Federal agency will conduct audits of direct cost for another agency. Under such circumstances, it will be the primary responsibility of the Federal agency with the predominant Federal interest to take the initiative in collaborating with the other appropriate agencies to determine the feasibility of one of the agencies conducting audits for the others. These policies are designed to carry out audits in the most efficient and effective manner.

In order to meet the management requirements and responsibilities placed upon Federal, State, and local officials, an orderly intergovernmental approach has been taken to work out problem areas such as duplication of audit efforts by State, local, and Federal auditors.

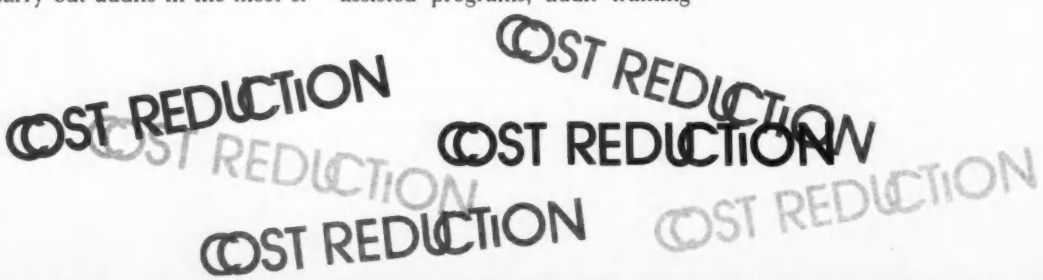
We are actively participating in a National Intergovernmental Audit Forum. The Forum is composed of Federal, State, and local governmental audit executives who meet periodically to improve coordination and cooperation among auditors auditing Federal assistance programs administered by State and local governments.

The Forum has established regional forums in each of the 10 Federal regions to provide technical advice and material to State and local audit groups and to undertake studies and issue resolutions relating to audit of federally assisted programs, audit training and professional development, and audit practices and standards. The efforts of the Forum will result in more reliance on State and local government audits and a better quality audit, as well as a broader scope of audit coverage of the $50 billion Federal assistance area.

The Challenge

The Federal worker is too often shortchanged by outside critics. We know that the typical Federal employee is first rate, and it is a good time to prove this fact. Current economic conditions should enable us to demonstrate anew that we can manage the tremendously complex and diversified activities of the Federal Government under difficult conditions and with limited resources.

We in GSA would welcome any of your ideas on how we can be of greater help to your departments and agencies in this undertaking.



TRAINING DIGEST

To meet rising costs and economically plan for employee development activities, the Civil Service Commission has designed measures to reduce the expense of presenting training courses and installing training programs. Some cost savings are inherent in the administration of training programs, while others are special programs with cost-reducing potentialities.

Self-Education and Hand-Off Programs

One cost-saving measure is the self-education and training program—a broad endeavor that stimulates employees to invest their own time, initiative, and money in strengthening job-related skills and abilities. The program is aimed at interweaving agency-employee cooperation and financial effort during training. As an incentive for sharing the cost, agencies provide employees with partial funding, self-study materials, counseling services, adjusted workweeks, and recognition for participation in the program. In return, employees provide increased skills and productivity, gained at less cost than would have been expended for a program entirely financed by the agency.

Through "hand-off" courses made available by the Commission's training system, agencies are increasing their capacity to offer standard programs such as basic supervision. Agencies use packaged courses from the Commission and administer them as

developed or alter them to specific agency needs. These field-tested courses emphasize the subjects in most demand by agencies. Cost savings through hand-off methods are substantial. The cost of an already developed and packaged course is significantly less than that of developing an in-house course or paying tuition for each employee.

Alternatives to Classroom Instruction

Government training demands sometimes exceed instructional resources, and as a result, alternatives must be found for the classroom training approach. One answer is correspondence courses. These courses have advantages in reducing travel and per diem involved in sending some employees to training, in reducing conflicts in work schedules for small office staffs who must train their own employees, and in allowing flexibility for the individual pace of the employee.

A new technique in reducing classroom training cost is the use of television instruction, which has multiple advantages. Courses can be scheduled at convenient times for employees. The length of instructional time can be reduced by editing programs to fit specific needs. Agencies can share television facilities through microwave and cable facilities. And wider audiences can result in lower costs per student hour.

The use of video tape instead of other media such as film can increase cost-effectiveness of television instruction tremendously. Video tape material costs less than film; it can be stored, edited, and revised; it can be reproduced at less cost than film; and production itself is fast. Additionally, the equipment is easy to use and employees can learn to operate it with little training.

Cost-Reducing Techniques in the Management of Training

The task of selecting the most effective use of time and money in administering training can be accomplished through the use of performance analysis. The performance analysis technique uses a step-by-step question and answer model. This model takes a performance problem and places it in one of three areas—a lack of skill or knowledge, an organizational or environmental constraint, a question of motivation and attitude, or perhaps a combination of these. A suggested method of gathering pertinent data, plus recommended solutions and alternatives, are then provided to the agency or organization. The advantage of this approach lies in the analytical method, which aids in choosing the most practical, timely—and thus most cost-effective—solution to a problem.

One means of reducing costs in government is to increase employee productivity through training. The extent to which various training alternatives will increase productivity, and the economic worth of such increases to the employee's organization, can be determined using models developed by the Civil Service Commission.

- The Training Cost Model simulates the behavior of training costs under various specified conditions. It can be used to predict the cost of a proposed training course or, in the absence of accurate accounting data, to reconstruct the cost of a course developed at some time in the past.
- Training Value Model I predicts the economic return on a given training investment in performance areas where outputs are directly measurable. It is estimated that the model is applicable to over 1,000,000 Federal workers engaged in the production of either goods or quantifiable services.
- Training Value Model II, currently under development, will utilize specially designed measuring devices to determine training needs and a value projection model to determine the need for, and predict the economic benefits to be derived from, training for managers and supervisors.

Reducing Training Costs Through Effective Personnel Management

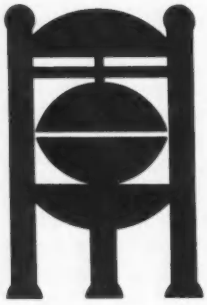
The Commission's training system is actively pursuing the following strategies to demonstrate leadership in reducing costs through effective personnel management:

- The schedule for Bureau of Training assistance and consultation services to departments and agencies for the remainder of Fiscal Year 1975 will be accelerated. Efforts to establish an information exchange service in cooperation with the Interagency Advisory Group Clearinghouse Subcommittee will be increased in order to minimize duplication of effort in creating new employee development opportunities.
- Both in agencies' internal evaluation systems and through CSC's evaluation program, increased emphasis will be placed on: (a) the efficiency and effectiveness of training obtained through non-Government facilities, and (b) the effectiveness of both agency and interagency training programs in improving performance, increasing efficiency, and enhancing organizational effectiveness.
- CSC efforts to study the effectiveness of employee development specialists will be intensified, in order to determine elements essential to the employee development function Government-wide and to determine if the classification and qualification standards are adequate. A list of essential elements for the employee development specialist at entry and journeyman levels was scheduled to be issued early in the third quarter of Fiscal Year 1975. Subsequent studies will be conducted to determine the current level of competency of employee development specialists and the means available for them to acquire basic or increased competencies.

—Kathy Colbourn

POINTERS TO BEAT THE PRINTING COST BIND

by Thomas F. McCormick
Public Printer
of the United States



AS HEAD of the Government Printing Office for nearly 2 years, I have had the opportunity to observe firsthand what I consider significant potential for reduction in the cost of Federal printing.

I welcome this chance to point up ways of cutting such costs to Federal officials directly involved in printing production as well as managers who generate printing requirements. In addition, these comments also are directed to those with budget control responsibility.

By law, most Federal printing is done by GPO, which can produce it in-house or procure it commercially. Under the Federal Printing Program, more and more Government printing is being purchased from the private sector; in Fiscal Year 1974, this amounted to $222.5 million or nearly 66 percent of GPO's printing and binding volume, compared with $54.4 million or about 46 percent of the total a decade ago.

Standardization

The Department of Labor provides a graphic example of one of the best cost-saving methods—standardization. Labor, a participant in the Federal Design Improvement Program, is implementing a plan designed to upgrade the graphics design and agency identification of its publications, while at the same time reducing the costs of individual publications.

The plan, which we fully support, will result in the use of four basic trim sizes, four typefaces, and four types of paper. As to trim sizes, Labor had used nearly 50 different ones, which restricted GPO's capability to produce or procure publications economically.

With nearly two-thirds of all Federal printing procured commercially, the cost-effective approach for any agency is to specify trim sizes more compatible with printing equipment in widest use in the private sector, and that is what Labor is doing. Conceivably, this could reduce Labor's printing costs substantially by reducing paper waste and encouraging more extensive bid competition, while still upgrading its publications program.

In addition to investigating the possibility of using four standard types of paper for all its publications, Labor also is reviewing a plan to limit the number of typefaces from the wide range it now uses. This should facilitate the bid process for the acquisition of composition and avoid costly delays. Reducing the number of typefaces should cut costs and reduce expensive redesigning.

As proof of how this can work, let me cite the example of an agency that accepted GPO's suggestion to change the typeface for a series of significant volumes. This reduced the page count substantially without affecting readability, and resulted in appreciable savings in production time as well as paper costs.

We hope other agencies will follow Labor's lead, and also make use of assistance in these endeavors offered by the National Endowment for the Arts through cost-saving design systems. Labor expects additional cost savings in publication preparation through standardization.

Reducing and standardizing trim sizes, typefaces, and types of paper should in no way stifle design creativity. A little imagination can go a long way. With the ever-increasing costs of labor, paper, and postage, standardization may be the best way to get more out of each shrinking printing dollar.

Flexibility

For those agencies that do not have a standardization program, another key to cost reduction is flexibility in specifications for individual publications. Allowing options on paper stock, typefaces, and trim sizes insures the broadest bid competition. In turn, this provides a better opportunity for lower costs.

Allowing flexibility on types of paper is an especially prudent move in today's unpredictable paper market. For example, one agency agreed to change its order from an expensive nonstandard colored paper to standard stock that could be tinted; savings, nearly $21,000

or about 50 percent of the total production cost. Another agency agreed to accept a no-rag content paper for its order of pads, plus eliminating a hand-wrap operation; savings, $25,000 or about 35 percent of the total cost.

Options on binding likewise can result in cost savings. The Agriculture Yearbook will be adhesive-bound this year instead of being sewed; savings, about $44,000. Another department went the same route and will save $31,000 on its publication.

Consult Printing Officer Early

Federal agencies would do well to take the most advantage of their printing officer's expertise to realize all potential cost savings. The recent Second Federal Design Assembly, sponsored by the National Endowment for the Arts, pointed out emphatically that an agency manager can have considerable impact on cost-effectiveness by insuring that his editors and designers work closely with the printing officer *at the very inception of a printing project.*

Much too often, the printing officer is consulted after the fact. Yet he is the printing expert. GPO works very closely with him; if he does not have the answers to your printing questions, he can get them.

GPO Courses

Another good way to become aware of cost-savings potential is through GPO seminars. We offer *Editorial Planning for Printing Production* in the spring and fall, and *Ordering of Marginally Punched Continuous Forms* every January. In February we are starting a seminar for designers aimed at improving the quality of Government graphics to set the stage for better Federal design.

Preplanning Help

Holding preplanning conferences with GPO prior to firming up a job enables an agency to take advantage of our Customer Service Department expertise. The Planning Service Division is the GPO liaison for such conferences. The Typography and Design Division can best advise how to design and develop specifications for a printing job, especially for smaller agencies. GPO's staff of artists produce complete, comprehensive publication design—a variety of illustrative material ranging from full-color paintings to simple line cartoons, airbrushed photographs to camera-ready mechanicals, all at budget-saving costs.

Electronic photocomposition and quality control advice also is available.

Quality Control

GPO is preparing a new and more effective control program to improve levels of quality of Government printing whether produced in-house or bought commercially. Agencies are encouraged to authorize use of GPO printing specialists to approve page proofs and press sheets on those printed products that have a more stringent quality requirement, in cooperation with agency representatives. This arrangement ordinarily will provide inspection in a contractor's plant.

Late Changes

An important cost saver is reduction of copy changes. Today, changing even a comma after the job is composed can be expensive. Author's alterations last year added 10.4 percent to composition costs, amounting to more than $3.7 million.

Rewriting after the copy has been set in type is an expensive luxury our customers can ill afford. This applies not only to editors but to top managers who may be tempted to take literary license with galley proofs. For example, one agency was only a signature away from galley approval. At the last minute an executive decided on a massive rewrite. Composition costs of $7,000 had been incurred unnecessarily. This situation is difficult to prevent, but if it appears at all possible the executive should try to review the typewritten copy before submission to GPO.

A valuable aid for Federal agencies to reduce corrections is the *GPO Style Manual*, which also is used widely in the private sector.

Delivery Crunches

Allowing insufficient time for delivery of a printing requirement is a sure way to increase costs. GPO must carefully prepare an accurate "Invitation for Bid" before it is mailed to prospective bidders to encourage healthy competition. In doing so, however, GPO must allow enough time not only for bid preparation but also for the successful bidder to acquire the paper and manufacture the printed product, to be able to deliver it on time. Otherwise we run the risk of expensive overtime, which is reflected in the bid price.

GPO plans to issue guidelines on leadtime needed for different categories of printing. In the meantime, agency printing officers can offer advice on the time generally needed to get the job delivered without facing the prospect of paying a premium price. Time is money.

New Equipment

Cost reductions also can be accomplished through use of the latest technology. GPO recently installed, and is testing, optical character recognition and text edit-processor equipment to augment its electronic photocomposition capability. Soon we will be inviting our customers to view this equipment to determine whether they can adapt this technology to their own requirements. We are confident this system will lead to better service as well as reduced costs.

Should It Be Printed?

Too often we take it for granted that something should be printed, and printed on paper. Managers might do well to determine whether it ought to be printed in the first

place—I hasten to point out that GPO does not have authority to change editorial content. The next consideration is whether an alternative end product such as microform may be more practical than the hard-copy version of printing. Many Government reference publications easily could be converted to microfilm or microfiche in whole or in part with significant savings.

As an example, the Code of Federal Regulations in its printed form consists of 63,000 pages in 119 volumes, and sells for about $350. The set, produced annually, weighs 144 pounds and takes up 8 ½ feet of shelf space. We have approval from the Joint Committee on Printing—which has oversight responsibilities for GPO—for a pilot program to produce this set for selected libraries in microfiche that would weigh about 2 ½ pounds and take up 4 ½ inches of shelf space.

If the microfiche version of the CFR is made available to those depository libraries that currently receive the hard-copy version, the program will save at least $300,000 annually in printing, binding, and mailing costs. Furthermore, there will be substantial savings in libraries' storage and handling expenses. If offered for sale, the price for the microfiche set would be about $90, or $260 less than the hard-bound version.

Distribution Alternatives

Because the costs of distribution frequently are greater than the costs of printing, various alternatives open to all Federal agencies should be explored thoroughly to assure that the most cost-effective techniques are being used. Agencies would do well to determine whether substantial savings in cost and time can be achieved if bulk shipments are made directly to distribution points, rather than receiving the bulk shipments and then reshipping them to field destinations.

The use of self-mailers also can be increased or initiated as opposed to using envelopes. The individual addressing of each item as it is being printed, through the use of mailing data contained on magnetic tape associated with ink-jet printing, is a recent innovation that can revolutionize rapid printing and distribution. Until recently, only one printing firm could simultaneously print and address, which resulted in a sole-source situation and precluded competition. However, at least two other firms are developing similar techniques that should broaden this capability and stimulate bidding.

Distribution of official material should be discussed during the *planning phase* since many alternatives are available. There is no advantage in producing the printed product in the most economical way and then wasting that cost reduction through a poorly conceived and uneconomical distribution program.

GPO can suggest many other specific ways to reduce costs, which we will be pleased to discuss with you. The most important advice I can offer managers is to insure coordination among editors, designers, and printing officers to achieve the greatest cost savings without any loss in quality or effectiveness. Preplanning conferences on significant printing requirements will save time, money, and frayed nerves. #

RECRUITERS FORUM RECRUITERS FORUM

In view of current labor market conditions, and the quality of eligibles on most civil service eligibility lists, it may be appropriate for Federal agencies to scale down their recruiting activities and concentrate their limited resources on those specific occupations for which there is a need to stimulate applicant interest. Here is a checklist of suggestions for keeping down the cost of recruitment, while assuring the Federal career service a continuing supply of high-quality applicants:

✓ *Concentrate on the shortage categories* and relate recruiting programs more directly to the condition of the Commission's application inventories. Agencies should keep in close touch with CSC certifying offices and recruit positively for only those occupations for which there is an inadequate supply of quality eligibles.

✓ *Be specific*, particularly in publications and advertising, concerning the positions for which you are recruiting. Overly general and lavish, ostentatious, hard-sell recruiting brochures are especially outdated in college recruiting. The schools need and want publications that describe specific needs in relation to the agency's mission, approximate number of vacancies to be filled, duties of the positions, career ladders, and training opportunities available. These publications should also emphasize which Commission application inventories are used when filling positions and how to obtain appropriate announcements, forms for filing, and related materials.

✓ *Hire at lower grade levels* in fields where high-quality candidates are readily available. Many of our career-entry eligible lists (i.e., PACE, most of the physical and biological sciences, mathematics) have an abundance of extremely well-qualified eligibles at the GS-5 level. Before requesting certification or filling positions at higher grade levels, agencies should discuss with the Commission's certifying offices the condition of the grade GS-5 inventories. Hiring at lower levels may also be apropos in many other occupations. In addition to lower initial salary costs, lower level appointments may also offer the advantages of better trainee development and improved overall career management.

✓ *Restructure jobs* to tap surpluses of eligibles in related fields. Given the shrinking number of engineers who will be graduating in the next few years, for example, and the continuing heavy demand for them, we should consider filling, where possible, some engineering vacancies with high-quality eligibles in other disciplines, such as physics, chemistry, and mathematics. The emerging labor market situation is particularly well suited to this approach. There may be other occupations where similar restructuring may be fruitful.

✓ *Plan for career continuity* in agency mainstream mission and key staff occupations. Failure to do this is false economy, and now is the ideal time to improve the pool of outstanding new careerists from which future managers and top technical talent can be drawn. FPM chapter 361 sets forth Commission policy on career continuity. Appointing officers have a unique opportunity in today's labor market to select top-quality graduates for career-entry positions in nearly all fields, and they should make every effort to take advantage of the situation.

✓ *Reduce oncampus interviewing* except when Commission inventories cannot provide quality candidates. This is an expensive form of recruitment, involving the expenditure of large amounts of travel and other resources. It is also risky except for shortage positions for which the Civil Service Commission has issued direct-hire or recruiting authorities, since there is no guarantee that candidates recruited will be within reach on the appropriate civil service register. Colleges and other recruiting sources do not welcome recruiting visits when actual placements are unlikely. Educational institution relations generally are best enhanced through other methods.

✓ *Support interagency activities.* Most of the Commission's regional and area offices have established Government recruiting councils and similar groups composed of college placement officials and governmental recruiters at the Federal, State, and local levels, in an effort to better focus recruiting activities and more effectively communicate manpower needs to the schools. Working through these organizations, schools can arrange for governmental participation in career information activities, for speakers before campus groups, and for other mutually beneficial liaison. These activities are carried out on a shared basis, and result in better oncampus coverage, less duplication of effort, and greater overall program efficiency.

✓ *Manage EEO affirmative action and Federal Women's Program recruitment* to accomplish maximum results and cost-effectiveness and support the achievement of equal employment opportunity through merit principles. In particular, this requires sound professional planning to target activities to the most productive recruitment sources.

✓ *Manage and evaluate recruiting activities.* It is particularly important at this time to assure that Federal recruiting dollars are having maximum impact by reviewing critically each aspect of agency programs and eliminating or otherwise correcting those activities that are not producing results.

These are only a few examples of how we can assure at less cost a continuing intake of high-quality people for the Federal career service. But one word of caution: It is not desirable or economical to abandon or severely weaken Government's quality recruitment programs that have been built up gradually over the years. This is especially true of our college recruitment and relationship programs.

Today the Federal career service is viewed favorably on most college campuses because of these effective long-range recruiting efforts. The career civil service has a continuing need for top-quality graduates, and to abandon or cripple college recruitment and information relationships now would be extremely shortsighted. But we must assure that our activities make sense from the standpoint of efficiency and economy in today's labor market.

—Allan W. Howerton

improving
the quality
of worklife

PARTNERS IN PRODUCTIVITY

by Bernard Rosen
Executive Director
U.S. Civil Service Commission

MR. CHAIRMAN, I appreciate this opportunity to appear before this Committee, on behalf of the United States Civil Service Commission, to present our views on the development of a strengthened national effort to stimulate improvements in productivity and quality of worklife. The Civil Service Commission is in agreement with the basic objective of both S. 4130 and S. 4212.

For the past 4 years, we have been a partner, with GAO, OMB, and GSA, in collaborative efforts to measure and enhance productivity in the Federal Government. We have worked closely with the National Commission on Productivity and Work Quality in developing new approaches to productivity improvement in both the Federal sector and State and local governments; and we are heavily engaged in efforts of our own to improve the personnel management aspects of productivity—the effective utilization of people in government.

From our experience over the years, we feel that we need a national focal point for our separate and collaborative efforts and a coordinating mechanism which would help us to marshal the collective intelligence and energies of our society and bring them to bear on the problems that all of us share in managing changing technologies and in creating a good and healthy work environment for people.

For the most part, up to now the key players in this effort have been moving out on their own—we in government, business and industry, the academic world, and parts of organized labor have all been active, but our efforts have been fragmented and uncoordinated. We suspect, for example, that there may be overlap or duplication of research efforts because so much is going on in so many different places.

CSC Establishes Productivity Clearinghouse

The Civil Service Commission has recently established a clearinghouse on the human aspects of productivity and organizational effectiveness to serve as a focal point for productivity efforts in government and to disseminate information to government managers on promising techniques for organizational improvement.

We first surveyed the Federal establishment to find out what people were doing in this regard and what the results were. One of our concerns is that government managers not blindly accept every new prescription for management improvement that comes along from the behavioral and management sciences. We want to gather evidence to identify those that bring about real improvements and to understand how they work before we advocate their general adoption.

As a result of our survey, we are now launching a long-term research and demonstration effort that will look at experiments in such areas as flexible work hours, job redesign, organization development, revised incentive systems, and other promising organization improvement techniques. As we learn how these techniques work and the conditions for their success, we will disseminate that information through the Clearinghouse on Productivity and Organizational Effectiveness.

In addition to this R&D effort and the information clearinghouse, we are making a strong effort to in-

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MR. ROSEN delivered this statement before the Senate Committee on Government Operations on December 17, 1974, regarding Senate bills S. 4130, The National Productivity Act of 1974, and S. 4212, The National Center for Productivity and Economic Competition Act.

corporate the analysis of productivity measurement data into our regular personnel management evaluation system. By analyzing productivity increases and declines, we will be able to identify problem areas in personnel management and move more quickly toward their solution.

In our courses for managers and in our management sciences curriculum, we are focusing on the skills needed for measuring productivity and organizational performance. And we are leading a governmentwide effort to measure the productivity of the training function itself.

One further point of information on related developments in the National Government—we reviewed 2,548 agreements negotiated by Federal agencies and unions of Federal employees and found that 35 agreements include provisions on productivity. These include clauses dealing with work standards and measurement, cost reduction programs, and joint productivity committees.

We are working with State and local governments for improved personnel management under the Intergovernmental Personnel Act in order to improve the capacity and performance of government.

Mutual Learning Process

While all these activities are now being carried out in coordination with other government agencies, we feel they will benefit from stronger information linkages not only to our sister agencies but to parallel activities in the private sector. We have much to learn from one another.

Our efforts would further be enhanced by cooperative policy leadership among high-level representatives from those segments of society that have a deep concern for productivity—business and industry, organized labor, the universities, and government.

Mr. Chairman, the National Commission on Productivity and Work Quality was designed originally to fulfill this need for coordination and leadership. It has performed many tasks well within the limits of its resources and its charter. Of course successful national effort requires clear goals, the identification of individual and collective responsibilities for meeting those goals, and a marshaling of the needed resources.

In this whole area of improving productivity and the quality of worklife:

- We need to organize ourselves better to use the knowledge we already have and to continue to extend its boundaries.
- We need to do this in a way that will not stifle diversity or creativity, but will stimulate their growth and development.
- We need to develop a roadmap for our research efforts, showing where we are today and where we need to go, so that those individuals and organizations who have the capability and interest in exploring new territory will not be duplicating each other's efforts.
- We need operational models of both measurement and enhancement efforts that can be practically applied to specific situations in the public and private sectors.
- We need further to look at our own policies and practices, our rules and regulations, to see—within the constraints of our own separate and not necessarily compatible missions—how we can remove whatever is unnecessary, whatever is frustrating and inhibiting to our mutual goal of improving productivity.

Many Partners

An effort of this magnitude and complexity has to be one with many partners. We do not see this as a task for a single, monolithic organization. Rather, what we believe would be useful is a channeling of leadership, information, and resources to the places where they are needed—a drawing together of the separate parts of our society in a shared, collaborative undertaking, each of us doing what we can do best to improve the whole.

The two measures before the Committee are directed toward that end. Their specific provisions as well as other alternatives will need more complete review and discussion. We would like, Mr. Chairman, to have a further opportunity to comment on the details of the proposed legislation at an appropriate later date.

Thank you, Mr. Chairman.

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"HOLD YOUR HEAD HIGH AND BE PROUD OF YOUR CALLING"

by David N. Henderson
Chairman
House Committee
on Post Office
and Civil Service

THANK YOU for providing me with the opportunity to join with you today in extending public recognition and congratulations to the employees of the Civil Service Commission.

First—to those who have been singled out for special recognition for their outstanding achievements during the past year.

Then, to all employees of the Commission for their sustained endeavors in administering the merit system.

And, in addition, an acknowledgment of all other Federal civil servants who are serving the public by carrying out those programs:

—established by the legislative process,

—administered by the executive in response to the public needs as expressed through, and guaranteed by, our democratic processes,

—and preserved, protected, and enforced by personnel of the judiciary.

I am happy to join in the 92d anniversary celebration of the establishment of the merit system.

We can be thankful that back in 1883 the people, through their elected representatives in Congress, responsive to the leadership of President Arthur, established a merit system and a career public service for administering our Federal Government and its programs. A system which has proven to be conceptually sound, with enough flexibility to meet the changing needs of our government for the past 90 years.

It has been a privilege to serve on the Post Office and Civil Service Committee for the past 14 years, and to have the opportunity to work to maintain and improve the Federal civil service merit system. I feel very much at home with the Commissioners and staff here today because of the many hours we have spent together in formal hearings, staff briefings, and conferences.

Eyes on the Objective

I feel that overall we have an excellent personnel system in our Federal establishment. However, there is a tendency to measure the value of the system in terms of benefits to employees, i.e., salary, retirement, appeals and grievances, etc. But as we work for changes to keep the system currently attuned to the ever-increasing requirements, we must keep our eyes on the real objective of the merit system. While we want to provide for equitable treatment for our civil servants, the benefits are not an end in themselves but are for the purpose of attracting and retaining the needed talent with the level of competence, experience, and excellence required to carry out our government's essential activities.

I am sure that President Arthur and the Congress of his day did not envision the United States of the 1970's, or today's world and universe with its degree of technical achievements and advancements. Even during my short service of 14 years, the changing roles and increased responsibility of the Civil Service Commission could almost be categorized as awesome.

While the Pendleton Act has served us well, like all past actions it must be critically reviewed to insure its continued applicability to changing conditions and increasingly complex problems.

MR. HENDERSON delivered this address at ceremonies commemorating the 92d anniversary of the Federal civil service, held on January 16 in the State Department West Auditorium.

I am sure that you will all agree with me that at no time in the past 90 years has so much attention from so many different perspectives been given to the merit system—its "preservation" and/or "demise"—as has happened during 1974 and probably 1975.

The merit system has been through some rough times. Chairman Dulski and I have both expressed our concern at the many allegations of violations of the merit system in the recent past. The Post Office and Civil Service Committee is most cognizant of the actions being taken by the Commission and its staff to investigate all such allegations.

We in the Congress will work with you and the other agencies of our government to insure to the Congress and the public that appropriate corrective and disciplinary actions are taken where violations are confirmed.

Even more important, as the result of such investigations, I feel that during this Congress is the time to examine institutions, executive practices, and administrative procedures to determine if additional legislation is needed to prevent similar abuses from occurring in the future.

We now have the opportunity, and the strong responsibility, to restore public and Federal employee confidence in the merit system and career public service.

Cornerstone of Free and Open Government

We in the Congress feel strongly that a nonpartisan public service merit system is the cornerstone of free and open government operated in the interest of all citizens.

The preservation of the merit system requires continuous attention and the coordinated effort of the administration and its executive departments, the Congress, and the judiciary—all on a nonpartisan basis.

Unfortunately, it is more the rule than the exception for public servants to be "maligned" externally, and most unfortunately—too frequently internally within the government. They are referred to as those "civil service people," "bureaucrats," and "the military." They are often cited as the major reason and cause for the increasing cost of government. I am sure we will continue to read attacks on "bureaucrats."

Unfortunately it seems to be a "knee-jerk" reaction in some quarters whenever economic conditions cause concern about the high cost of government. The civil servant is always a handy whipping boy.

President Ford again this week did the same thing he did last year in calling upon Federal employees (and this time added Social Security recipients) to accept limitations on their compensation, which the public generally was not called upon to accept.

The point should be made that the built-in cost-of-living provisions now applicable to these categories reflect increases which have already taken place in the private sector. The rise in the cost of living, which triggers the increases in Federal pay or benefits, results from increased pay and increased prices in the private sector. The Federal payments do not cause these increases. The increases have already occurred before Federal payments go up.

I am concerned that the President did not even call upon the private sector to hold wage and price increases to 5 percent. He did not even establish guidelines or suggest that proposed increases in wages or prices of more than 5 percent be justified before the Council on Wage and Price Stability before they are placed into effect.

Social Security recipients and the lowest enlisted grades in the military service are already hard hit by inflation. The action recommended by the President would hit them even harder. I think that all persons receiving Federal benefits are willing to do their part, but they do not want to be held rigidly to a level which those in the private sector are not even being asked to observe.

I would prefer for the President to announce 5 percent across-the-board wage/price ceilings on a "guideline" basis and insist that larger increases be specifically justified before the Council on Wage and Price Stability.

There is no cause and effect connection between the career civil service and government costs.

Like any private organization, the government needs workers to get its job done, and it must compete in the marketplace for competent workers by offering competitive pay and conditions of employment.

These costs have been rising for all employers, with the government generally following rather than leading the way.

Now this is not to say that government costs and staff cannot or should not be reduced. Nor do I make a blanket defense of all government programs as being necessary.

Critics Challenged

And this leads to my precise point that I would address to critics of government and civil servants.

It is simply this: If you are concerned about government costs—high taxes—inflation—etc.:

—sharpen your aim;

—do your homework;

—narrow your attack on functions and programs that you find unnecessary, outmoded, overblown;

—marshal your facts;

—and take your case to the public, the administration, and the Congress.

But please, cease and desist from making broadside attacks on the career civil service. Such assaults are unfair and serve no good purpose; they only undermine public respect at a time when our efforts should be directed to building justifiable confidence in our system and those who direct it.

Proud Calling

May I take this opportunity to say to you—and through you—to

every civil servant, both career and appointive, civil and uniformed:

"Hold your head high and be proud of your calling."

During the past 2 years our system of government has experienced one of its severest tests. It has survived this latest test thanks in no small part to the role of the career civil service.

You and your colleagues throughout the Federal Government provided the know-how, the continuity, and quiet competence of your day-to-day dedication to duty. The business of government service to our citizens continued despite the difficulties that distracted the highest government officials.

Public confidence in government may have slipped as the polls show, but citizen confidence in the day-to-day services of government was not shaken.

The performance of our career civil service is, of course, the basis of that confidence.

May that confidence of the public in its career civil service always be justified in the future as it has been for the past 92 birthdays.

I extend best wishes to all career employees and thank them for the great job they are doing under difficult circumstances.

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THE AWARDS STORY

"Winning our fight against inflation and waste involves total mobilization of America's greatest resources—the brains, the skills, and the will power of the American people."

Gerald R. Ford

The Federal Incentive Awards program, established by Congress September 20, 1954, provides limitless opportunities to managers and supervisors for encouraging all Federal employees to participate in the fight against inflation by reducing Federal expenditures through constructive ideas and improved individual and group performance.

Through two decades of operations, employee contributions under the Federal Incentive Awards program have resulted in tangible savings to the Government of nearly $4 billion, in addition to countless intangible benefits. Since 1954 over 3 1/2 million employees have been recognized for their contributions to the national interest through conserving and protecting our natural resources, contributing to national security, advancing medical science, exploring outer space and the depths of the seas, responding to emergency situations, and many other noteworthy achievements.

At the present time, the average tangible benefit to the Government from adopted suggestions and approved special achievement awards is $1,113, with an average award of $83. This represents an award cost/benefit ratio of seven cents spent for every one dollar saved.

While some of these contributions saved the Government literally millions of dollars and others fired the imagination or captured the national spotlight, the majority of employee accomplishments are less spectacular. Yet they are equally as important to the Government because they represent the best possible relationship between employees and management—that of innovation, improved productivity, and improved services to the public.

President Ford recently called upon each of us to do our part in the fight against inflation. Because it provides a means by which new ideas, innovations, and superior performance can be encouraged and recognized, the Incentive Awards program is an ideal vehicle for Federal employees at all levels to make a personal contribution to the national effort.

In order to stimulate employee involvement in cost reduction efforts in Government, a campaign for cost reduction suggestions and other contributions is being mounted.

To be effective, this campaign requires the commitment and support of management, the active participation of supervisors and employees, strong leadership by those responsible for Incentive Awards program policy and operations, and continuing promotion and publicity.

Let us resolve to mobilize "the brains, the skills, and the will power" of all Federal employees to make valuable contributions to the fight against inflation. With these cooperative efforts, we can achieve substantial cost reductions and widespread improvements in Government operations.

—Joe Nordsieck

OCCUPATIONAL SAFETY AND HEALTH FOR FEDERAL EMPLOYEES

by Patrick E. Zembower
Labor-Management Relations Specialist (Liaison)
U.S. Civil Service Commission

HARRY S. TRUMAN, one of my favorite past presidents, had no middle name. He was called Harry after his Uncle Harrison, but his parents declined to give him a middle name because both of his grandfathers, Solomon Young and Anderson Shippe Truman, could then dispute which one he had been named after. Is it any wonder that Harry became a politician instead of a hat salesman?

But I would like to think the "S" stood for "Safety," because Mr. Truman demonstrated an abiding interest in the safety and welfare of American workers. It was fitting, for example, that he opened the President's Conference on Industrial Safety in 1949 with these remarks:

"The job of reducing accidents is primarily a job for employers and workers. They are the men and women who bear directly the cost and the suffering of unnecessary accidents. . . . The plain fact is that our nation cannot afford the needless loss of skilled workers if we are to produce for prosperity in this country and for peace abroad."

Maurice Tobin, Secretary of Labor in the Truman cabinet, also spoke at the 1949 conference. His remarks then are just as fitting now as we approach the nation's 200th birthday:

"This morning you heard the President's call to action. No one has ever asked you or me to serve a more worthy cause. That is well, for safety, like freedom, is everybody's business."

New Campaign

A new national safety campaign, Safety '76, has been launched in the Federal sector under the auspices of the Secretary of Labor and the Federal Advisory Council on Occupational Safety and Health. The underlying theme is "Take Time To Be Safe." That's the idea. All of us must take just a little time to avoid accidents.

The campaign began in January 1974, and will run through 1976. This new campaign, replacing Zero-In, will complement the fast-approaching bicentennial celebration. Every 6 months during the campaign, a new safety theme will be introduced for application by Federal departments and agencies.

The Zero-In program—together with its predecessor, "Mission Safety '70—achieved notable success in reducing by 16 percent the rate of workplace injuries among Federal employees. We expect the record to continue to improve as employees, supervisors, and managers become more aware of their own responsibilities in eliminating safety and health hazards.

One of the major reasons for this confidence is the new emphasis attached to Federal agency safety programs by President Ford, with his issuance of a new Executive order in late September 1974—Executive Order 11807, "Occupational Safety and Health Programs for Federal Employees." This order replaced E.O. 11612 issued in 1971. President Ford states in the new order:

"Considerable progress has been achieved under the 1971 Executive order, but it is clear that even greater efforts are needed. It is therefore necessary that a new order be issued, reflecting the Nation's firm and renewed commitment to provide exemplary working conditions for those devoted to public service."

Executive Order 11807 is based (as was its predecessor) on authorities contained in the landmark Occupational Safety and Health Act of 1970, as well as section 7902(c) of title 5, United States Code. That Act vests responsibility in the head of each agency to place employees in a safe and healthful work environment through the establishment and maintenance of an effective and comprehensive program consistent with the standards that are published by the Secretary of Labor.

The Act spells out these responsibilities in 1-2-3 fashion; then it states that agency heads must consult with representatives of the employees in the implementation of the law. This aspect has

significance for our Federal labor-management relations program, to be carefully noted by agency management.

President Ford has set the program on course with Executive Order 11807, and the Secretary of Labor—with advice of the Federal Safety Advisory Council—has put flesh on the bones through regulations and guidelines published in the Federal Register on October 9, 1974. Major elements of the program are the following:

□ *Each agency shall designate a management official who has sufficient authority to effectively represent the interest and support of the agency head.*

The designated safety and health official is directed to take appropriate steps to advise top management on safety and health program needs, in order to provide sufficient funds for necessary staff, equipment, material, and training required to insure an effective agency program. This is intended to demonstrate to supervisors and employees top management's interest and support of the program—not in the sense that with top management support we can solve all our safety problems, but more in the sense that top management is the key to getting the tools to do the job.

□ *Establishment of an occupational safety and health management information system is essential, including maintenance of records of accidents, injuries, and illnesses, and their causes, as a basis for required reports to the Secretary of Labor.*

Recordkeeping is an essential element in the program as an aid to program managers and others, in order to zero-in on problem areas and take corrective measures, such as additional training.

□ *More emphasis has been placed in the new order on employee and union participation.*

For example, at least five members of the Federal Advisory Council must be labor organization representatives. This is up from at least three under the old order. In practice, however, five members of AFL-CIO affiliated unions are currently serving on the Council; still, this number establishes a higher minimum of committee membership of union representatives. We expect unions to take a greater interest in safety and health because it is a prime concern of their members.

□ *The new Executive order pursuant to section 19 of the Act of 1970 requires the heads of agencies to consult with representatives of employees and to provide for employee participation in the operation of agency safety and health programs.*

Since the Federal sector is more than 50 percent organized into exclusive bargaining units, such employee participation largely will be by union officers and stewards. Agency management is well advised to make a genuine effort to gain input from employee representatives in any program or policy development having an impact on working conditions.

□ *The emphasis in the new order, except in the matter of recordkeeping and reporting, is on guidance by the Secretary of Labor, rather than requirements.*

In large measure this is due to section 19 of the Act, which places responsibility for program establishment on the heads of agencies after consultation with employee representatives. The aim is to mold a program that fits the size, mission, internal organization, and location of the agency. The law limits the agencies that come under its provisions. There are really three categories: those agencies required to set up programs, those that may be covered by agreement with the Secretary of Labor, and those under other laws. In other words, agencies are to take into account their own particular problems in tailoring their program to fit the agency.

□ *Heads of agencies are required to provide adequate safety and health training for officials at different levels, including managers, supervisors, employees responsible for conducting occupational safety and health inspections, and other employees. The new order requires technically competent personnel to perform agency inspections.*

The order directs the Secretary of Labor to stand in readiness to perform for agencies the following services upon request and on a reimbursable basis: (a) evaluate agency working conditions and recommend to the agency head appropriate standards to be adopted to insure that such working conditions are safe and healthful; (b) conduct inspections to identify unsafe or unhealthy working conditions and provide assistance to correct such conditions; and (c) train appropriate agency safety and health personnel.

□ *For the purpose of advising and assisting agency officials with respect to their responsibilities under the agency occupational safety and health program, committees composed of representatives of management and representatives of the employees should be established at the various levels of the agency—national, regional or comparable level, and installation level.*

This guideline represents one of the major implications for labor-management relations. The establishment of safety and health committees is an undisputed negotiable issue under the Federal labor-management relations program. A recent survey of Federal labor agreements shows that safety provisions are among the most popular, with the establishment of safety committees for union-management cooperation predominant.

In addition to safety and health committees, agreements also include provisions for safety equipment, safety clothing, health services, first-aid unit, alcoholism program, drug abuse program, and physical examinations.

□ *Section 6 of the Act authorizes the Secretary of Labor to promulgate by rulemaking any safety and health standard that he deems necessary to improve the health and safety of employees. Federal agency programs are required to be consistent with the standards promulgated under section 6.*

Section 2 of the order carries out the purpose of the Act by requiring agency heads to adopt standards that are consistent with the

Secretary's. The standards don't have to be the same, and they don't have to equal them in number, but they must be consistent.

It certainly would not be wise for an agency to adopt blindly, carte blanche, any section 6 standard. Some of these standards involve manning requirements and other factors that an agency may not find suitable for its operation; so, caution should be exercised when it comes to the adoption of standards.

□ *Agencies are required to give prompt attention to reports by employees, unions, or others of unsafe or unhealthy working conditions and to insure prompt abatement of such working conditions, including those involving facilities and/or equipment furnished by another Government agency. If the agency encounters any significant difficulties in this regard, it is obliged to inform the Secretary of Labor.*

While it can be expected that employees will report some hazards outside of the normal grievance procedures, it is certain that many complaints will be processed through the negotiated grievance procedure whenever the subject of safety and health is covered in the agreement. Employees and their representatives will seek the most effective means for handling such complaints even if it includes resolution of the problem up to and including binding arbitration, or going directly to the courts.

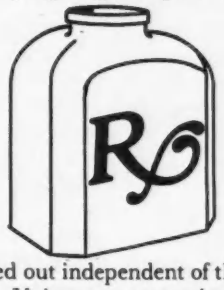
Working With Unions

Achievement of safe and healthful working conditions has been one of the foremost goals of unions since the birth of the labor movement. Generally, employee views are going to be heard and felt through labor organization representation.

In concern for safety and health, unions stake their claim to equal status, if not responsibility, with management. This can be very beneficial, but some cautions are in order. When unions and management agree in collective bargaining to establish joint committees, there can be a tendency for the committees to take over, at least in the eyes of employees, all concerns with the safety program. While this attitude can hurt the program, there is no reason to shun committees if care is exercised to stress a broad concern and responsibility.

There are excellent case studies of cooperative efforts between management and labor that have resulted in improved working conditions and reduction in the number of accidents.

One of the first case studies done by the Labor Department on cooperation between management and labor involved the Forstmann Woolen Company and the Textile Workers Union. The collective bargaining agreement did not contain safety and health provisions. A formal program of cooperation was



worked out independent of the contract. Union representatives were paid for all time spent in safety meeting activities. The union took a leading role in helping to correct violations and in seeing that safety rules were followed. An interesting fact in the case was that union officers were ineligible to serve as safety representatives, thus maintaining a noncontroversial character in keeping the informal meetings on a cooperative level.

Another, more contemporary case study was carried in the *Safety-Trade Magazine* of the International Brotherhood of Electrical Workers, AFL-CIO, March 1974. The magazine article reports on the formation of a company-union advisory committee on safety and health at the Hawthorne Works of Western Electric, one of the nation's first committees of this type.

In practice, the committee tackles any on-the-job safety problems ranging from the operation of machinery affecting one employee to the handling of hazardous materials in shops where hundreds of employees work. Committee members review accident cases, discuss their causes, and suggest ways to prevent their reoccurrence.

They always review protective equipment and conduct safety inspections in shop areas. From a labor relations point of view, the committee also has significance for what it *doesn't* do. It doesn't try to replace traditional lines of communication for employee grievances on safety and health matters. Nor does it try to assume management's responsibility for in-plant safety.

Before the committee system appeared, the article reports that union stewards approached operating supervisors with safety problems informally or through the formal grievance procedure—a four-step safety grievance process. Then the problems were referred to one of several staff organizations. Now the same options remain, but Hawthorne unions have an added avenue via the committee. They can air their problems early and help resolve them quickly with professional advice and counsel from a single staff.

Success Depends on Cooperative Approach

Agencies need to take advantage of union interest in collectively dealing with safety and health problems, and not wait until a grievance is filed. However, in considering the union's safety proposals, management must be careful not to allow safety concerns to get into work rules, such as standards that affect manning requirements, or permit the use of the safety angle to gain unwise objectives that are only incidental to safety and most often are counterproductive.

The success or failure of this program will depend on the ability of the agencies and the unions to foster a cooperative rather than an

adversary approach. If we are to reduce accidents and improve the quality of worklife, we must build basic confidence and mutual respect.

The creation of a safe and healthful work environment and a safety-conscious work force starts at the top. The program needs the commitment and support of top agency executives. Safety directors and supervisors need to feel this support as well.

Also needed—and here the supervisor plays an important role too—is an awareness on the part of employees that avoiding safety and health hazards is their business. It is in their own self-interest to correct unsafe and unhealthy conditions and follow safe working practices.

We've got a lot going for us now. We are in the public spotlight as usual. Congress is quite sensitive to how agency heads will carry out their obligation to maintain effective, strong safety and health programs. And organized labor, which has a special affinity for the program, will be the first to ask for a new law if we bungle the job.

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PERSONNEL RESEARCH ROUNDUP

The Government-wide campaign to insure equality of employment opportunities for disabled persons has spurred the Civil Service Commission to improve techniques used to test disabled persons for competitive job entry. This need became especially apparent during the developmental period of the new Professional and Administrative Career Examination (PACE), when the Commission took a long, hard look at the suitability of this examination for handicapped persons.

The Commission solicited the aid of experts in the fields of education, testing, and employment of the blind and deaf. Two panels, composed of a cross section of university and government officials, met with Commission staff to recommend areas for further research and possible change. Many of the suggested changes were incorporated into test content and test administration procedures.

The handicapped applicant would be at a distinct disadvantage in many cases if the usual examination procedures were followed. Modifications in these procedures are often necessary to assure that the handicapped competitor's assets are accurately measured and that the competitor is assigned the proper place in the rank-order of other competitors. These modifications are determined to a large degree by the nature of the competitor's disability and the material covered in the test.

As a result of our current efforts, disabled competitors have a wider selection of test administration procedures available for use, which assures a fairer assessment of their ability to perform jobs filled through the PACE examination.

Blind and visually handicapped competitors are offered a choice of using braille, cassette tape, a reader, large print, or regular print. One result of an extensive literature review has been the implementation of provisions allowing a blind competitor to use an abacus or arithmetic-type slate on tests involving computation. This decision is now general policy in the administration of all Federal tests.

The deaf competitor is at a distinct disadvantage because of lack of experience with spoken language. Many congenitally deaf people have difficulty comprehending complex written material. This difficulty is most obvious when the deaf try to understand test instructions. It is hoped that stressing the use of interpreters to interpret the test instructions in sign language will alleviate this problem. As a further precaution, a deaf person has been hired by the Commission to write the instructions for PACE for deaf competitors.

In an effort to make PACE as fair as possible to the handicapped competitor, various changes have been made in test content. For example, questions that depend on visual presentation—questions involving large tables of numbers, etc.—have been deleted for blind and visually handicapped persons.

The use of PACE by blind and deaf competitors will be carefully monitored so that improvements can be made in testing arrangements. Initially there will be no time limits for these candidates until fair time limits can be determined on the basis of actual time usage. If it is found that some test questions are inappropriate measures of desired abilities, research will be devoted to developing alternative types of questions for blind and deaf competitors.

In addition, special research will be conducted on the correlation between performance in the PACE examination and performance on the job. The essence of this research is to insure that PACE for disabled persons is comparable to PACE for other competitors as a selection device.

There is a great need for research on examining and employing disabled persons for regular job situations. Up to now most research on disabled persons has been centered around their educational needs and around tailoring jobs for them. Little research has been done in the area of selection and placement. The Commission plans to prepare technical reports for other employers to use on the current status of research in this area. We also plan to conduct further selection research as funds become available.

—Mary Anne Nester

HONORING THE BEST

by Marie Robey Wood
Office of
Public Affairs
U.S. Civil Service
Commission

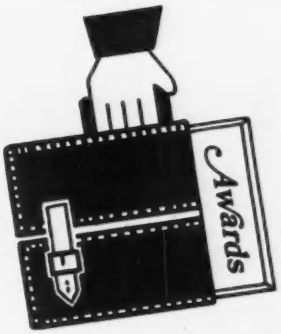
ALTHOUGH neither the Rockefeller Foundation nor the National Civil Service League is a part of the Federal Government, each of these organizations thinks enough of good government to maintain an awards program honoring outstanding Federal employees. And each is performing an invaluable service by promoting the merit system and encouraging able young people to build government careers.

National Civil Service League Awards

President Ford, in a letter to the National Civil Service League and the awardees of 1974, stated: "In both the best and worst of times, dedicated government workers have upheld the traditions that have gained so much admiration for our civil service throughout the world."

The dedicated government workers honored in 1974 include nine who received the Career Service Award for Sustained Excellence (at least 10 years of outstanding public service), and two who received the Career Service Award for Special Achievement (one or more landmark accomplishments without regard to length of service). The awards were presented at a cocktail reception in the Department of State's Diplomatic Reception Area.

Mortimer M. Caplin, President of the League, led the awards ceremony and pointed out that through this Career Service Awards program honoring 11 Federal officials, the League honors as well *all* public employees at Federal, State, and local levels.



Career Service Award for Sustained Excellence

Recipients of this Award were:

John P. Abbadessa, Assistant General Manager, Controller, Atomic Energy Commission—for his outstanding contributions to Federal financial management during 29 years in Government.

Carl E. Duckett, Deputy Director for Science and Technology, Central Intelligence Agency—for his contribution to the 1972 SALT Agreement, its achievement and continuing operation.

Dr. John Carol Eberhart, Associate Director, Mental Health Research, and Director, Intramural Research Program, National Institute of Mental Health, Department of Health, Education, and Welfare—for his national research leadership in mental health and mental illness.

David Simonds Johnson, Director, National Environmental Satellite Service, National Oceanic and Atmospheric Administration, Department of Commerce—for his leadership in the development of space satellite systems that collect and process weather information.

Dale R. McOmber, Assistant Director for Budget Review, Office of Management and Budget—for his outstanding performance as fiscal planner and innovator.

Ross M. Madden, Regional Director, Region 13, National Labor Relations Board—for his long leadership record of objective, vigorous enforcement of the National Labor Relations Act.

Thomas D. Morris, Assistant Comptroller General, General Accounting Office—for his outstanding performance as one of GAO's key reporters to Congress, and his major role in the Federal productivity program.

Dr. Francis J. Mulhern, Administrator, Animal and Plant Health Inspection Service, Department of Agriculture—for his superior contributions to the nation's health through his leadership of inspection services.

Dr. John E. Naugle, Associate Administrator for Space Science, National Aeronautics and Space Administration—for his leadership in the nation's space science program in the use of unmanned spacecraft as observatories.

Career Service Award for Special Achievement

Recipients were:

Dr. Carolyn Huntoon, Head, Endocrine Laboratory, NASA John-

son Space Center, Houston, Tex., National Aeronautics and Space Administration—for devising the Bio-Assay of Body Fluid experiment that measures humans' adaptation to weightlessness.

James T. Murphy, Director of Air Transportation Security, Federal Aviation Administration, Department of Transportation—for his major role in deterring air piracy.

The National Civil Service League is a citizen group that has worked for better government through merit hiring since 1881.

TOP PHOTO, President Ford talks with recipients of the National Civil Service League Awards during their visit to the White House. ABOVE LEFT, the NCSL Awards group, with CSC Chairman Robert E. Hampton, gathers on the White House steps to hear the President's remarks. From left to right: Dale R. McOmber, Ross M. Madden, James T. Murphy, Carl E. Duckett, David Simonds Johnson, President Ford, Dr. John E. Naugle, Dr. John Carol Eberhart, John P. Abbadessa, Dr. Francis J. Mulhern, Dr. Carolyn Huntoon, and Mr. Hampton. Present at the ceremony, but not visible in the group photo, was Award winner Thomas D. Morris, ABOVE RIGHT.

Rockefeller Public Service Awards Program

Like the Career Service Awards program of the Civil Service League, the Rockefeller Public Service Awards focus public attention on the degree and extent to which excellence exists in the civilian career services of the Federal Government.

President Ford spoke at the awards luncheon, which was held at the Mayflower Hotel in December. He quoted the late Adlai Stevenson, who once joked that "our public servants serve us right." "But the fact remains," the President stated, "that career public servants who do keep the vast and highly essential day-to-day business of Government moving year after year are a vast and a very loyal group of good people doing good work for their country."

John D. Rockefeller III, who also spoke at the luncheon, added: "Perhaps more than anything else, we need a revival of the historic American conviction that the individual is important; that what a person does in response to public needs *can* make a difference. That is what makes the careers we honor today so noteworthy. Each of them has been a major influence in important areas of public policy."

The five recipients of the 1974 Rockefeller Public Service Awards were:

George M. Low, Deputy Administrator, National Aeronautics and Space Administration; in the field of administration.

James Bruce Cardwell, Commissioner, Social Security Administration, Department of Health, Education, and Welfare; in human resource development and protection.

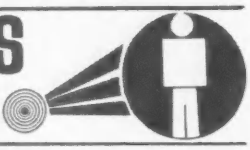
Maurice J. Williams, Chairman, Development Assistance Committee, Organization for Economic Cooperation and Development; in intergovernmental operations.

Robert M. White, Administrator, National Oceanic and Atmospheric Administration, Department of Commerce; in physical resource development and protection.

George Jaszi, Director, Bureau of Economic Analysis, Departnen of Commerce; in professional accomplishment or leadership.

ABOVE, Rockefeller Awards recipients are shown with John D. Rockefeller III, sponsor of the Award program, and Dr. William G. Bowen, President of Princeton University, who presided at the presentation luncheon. From left to right: James Bruce Cardwell, Robert M. White, George W. Low, Mr. Rockefeller, Dr. Bowen, Maurice J. Williams, and George Jaszi. LEFT, President Ford and Mr. Rockefeller congratulate Award winner Maurice J. Williams *(l.)* at the luncheon honoring the group.

STANDARDS AND TESTS



New applications of traditional position classification techniques are immediately available to managers for their use in achieving new gains in improving efficiency and productivity in Government.

The traditional uses of position classification standards and job analysis techniques are well known. They form the basis for the equity we have within and among grades and occupations in the Federal civil service. Outside Government these same standards and job analysis techniques are used as the basis for measuring the dollar equity we now have with private enterprise. Combined, they assure that Federal employees are graded correctly and paid fairly for the work they perform. These same proven concepts and techniques, however, can also be applied and extended to improving management efficiency.

The key to this extension lies in applying the basic tool of job analysis to such diverse matters as organization design, manpower planning, work procedures, recruiting key personnel, determining training needs, designing jobs, and diagnosing organization problems.

Organization design: Identifying precisely those functions, duties, and tasks essential to carry out any organization's mission is easily accomplished through the use of job analysis techniques. This process results in grouping together like functions; separating dissimilar functions; and eliminating overlapping ones. Then organizational components can be molded and the basis laid for defining the working relationships among them.

Manpower planning: Determining what kinds and grade levels of employees will be needed to do the work of the organization during a future period (e.g., a quarter, a fiscal year, etc.) is the concern of manpower planning. More of the same kind of personnel are seldom the answer to increased program demands. This is particularly true when trained personnel are unavailable. By determining the variety and combinations of tasks essential to accomplishing program objectives, these tasks can be recombined into those modules (i.e., positions) of work whose qualification requirements are more in tune with the available labor supply.

Work procedures: Here job analysis plays at least a two-fold role. With competent job analysis, managers can establish decision points in the organization. Approval authorities and clearance points are the prerequisite to efficient procedures. Second, job analysis can help managers audit existing procedures through examining the interrelationships of tasks among the jobs, to determine causes of inefficient workflow.

Recruitment: To find just the right person needed to fill a critical vacancy, managers can use job analysis techniques to determine the exact capability they are really looking for. By focusing on the critical skills and knowledges required, managers can better decide where and where not to compromise in the recruitment process.

Training needs: What kind of training to give to whom is a perennial problem of managers. By making a three-way match among tasks to be performed, the quality of performance expected, and mission priorities, managers can better target in on that training which will yield the greatest performance and productivity improvement.

Job design: Traditionally designed positions may be appraised, through using the powerful tool of job analysis, to see whether their constituent parts (i.e., tasks) fit together in the most efficient manner. For example, lower level tasks traditionally associated with professional positions can be extracted and assigned to non-professional personnel. The present trend toward paralegal and paramedical occupations illustrates the application of this process. Thus scarce professional skills can be conserved for true professional work. By scrutinizing the major tasks of jobs, managers often find traditionally performed tasks that no longer relate to mission objectives.

General diagnostic tool: Job analysis examination of individual positions and organizational groupings can help managers decide quickly which positions do or do not contribute to meeting an organization's goals and in what degree. Typical examples of suspect positions deserving close scrutiny are special assistants, deputies, and "assistants-to." Further, this diagnostic application of job analysis often exposes unneeded layering and fractionating of positions.

With its many years of experience in achieving pay equity, the position classification process has developed, tested, and applied successfully the powerful tool of job analysis. This tool can help solve a host of everyday management problems involving organization design, manpower planning, and work procedures in addition to its present contribution to effective recruitment and training. The experts skilled in job analysis are already available in every Federal personnel office. They are ready and able to move outside their traditional role of classifying jobs.

Now is the time to extend these two spinoffs of a well-tested tool and of skilled know-how from conventional job classification administration toward practical solution of today's management problems.

Broader use of our position classification capability promises a many-fold payoff in Federal program performance and productivity in return for a relatively small investment of resources. This promise of low cost for high benefits deserves immediate application.

—Paul A. Katz

WORTH NOTING (CONT.)

that a comprehensive program has been initiated. It will play an important part in the President's effort to improve the management of the Federal Government.

The briefing program has three main objectives: (1) to familiarize new policy executives with key administrative processes, laws, and regulations; (2) to acquaint new executives with Federal policies and processes, the external environment in which they must operate, and the role and responsibilities of policy executives; and (3) to inform new executives about current Presidential policies and programs.

The Commission will be working closely with departments and agencies to improve their internal briefing program. In addition, persons selected for policy-level positions will receive compilations of pertinent information. Then they will meet with others knowledgeable in their fields. Finally a quarterly briefing will be held on effective Government management. Several hundred new policy executives—most in executive levels II, III, IV, and V—are expected to participate in this program during 1975.

☐ REFERRALS BANNED. Under recently issued standards, neither Civil Service Commission employees nor officers may make personal referrals or recommendations of individuals for Federal employment.

While personal employment referrals and recommendations by Commission officers and employees are not in themselves violations of any law, rule, or regulation, there is concern by the Commission that such referrals and recommendations may be subject to misunderstanding.

To avoid misunderstandings, the Commission has approved a standard of conduct providing that unless requested by an agency, or specifically part of his or her official duties, no officer or employee of the Commission shall make or transmit to a Federal agency any written or oral recommendation bearing on an agency's action in the hiring, promotion, assignment, transfer, or retention of an agency employee.

☐ STAFFING. The Commission has reminded Federal agencies that, *one*, positions should be represented accurately and completely to candidates who have been certified for appointment consideration because soliciting declinations is a violation of the merit system; and *two*, appropriate controls should be established to insure that persons applying direct to an agency are not given premature offers of employment.

☐ LIFE INSURANCE RATES raised. Premium rates for regular group life insurance provided to Federal civilian employees covered under the Federal Employees Group Life Insurance program have been increased by 8 cents per $1,000 of coverage per biweekly pay period, effective the first full pay period in March. Agency contributions rose by 4 cents from 13.75 cents to 17.75 cents per $1,000 per biweekly pay period.

The primary reason for the increase in cost is that more employees are retiring at an earlier age than in the past, which means that paying subscribers are contributing to the cost of life insurance for a shorter period of time. Since regular life insurance is provided free to retirees, it is necessary to increase premium rates over the shorter period that employees work.

An actuarial valuation of the life insurance program, completed in December, found that total premiums (employee and employer contributions combined) should be increased by 12 cents from 41.25 cents to 53.25 cents per $1,000 of regular life insurance coverage. Rates for the additional $10,000 optional life insurance did not change.

☐ ANNUITY CHECKS REDUCED. Following a corrective reduction that the Bureau of Labor Statistics made in its previously reported Consumer Price Index, CSC reached the following decisions:

1. The cost-of-living increase for Federal civil service annuitants that became effective in July 1974 had to be reduced from the previously announced 6.4 percent to 6.3 percent.

2. The cost-of-living increase for Federal civil service annuitants that became effective January 1, 1975, was reduced from the previously announced 7.4 percent to 7.3 percent.

3. Recovery of the small overpayments ($1 per month in most cases) to civil service annuitants resulting from the July increase are to be waived for the period from July 1, 1974, through December 31, 1974. Further overpayments resulting from the July increase but made during the months of January, February, and March 1975 occurred because of time needed to make changes in computer programs, but these will be recovered.

"The Commission's decision, under authority of the retirement law, to waive the portion of overpayments occurring between July and December, and prior to discovery of the CPI computation error, is based primarily on considerations of equity to the annuitants who were overpaid through no fault of their own," CSC Chairman Robert E. Hampton said at the time the decisions were announced. "However, there is no basis for not recovering those future overpayments that will result in the months of January, February, and March, for annuitants are now on effective notice that such overpayments will occur," he added.

The recovery of the January-March overpayments will be accomplished through small reductions in checks delivered on May 1. This will be done automatically, and there is no need for annuitants to contact the Commission. A complete explanation will be sent to each annuitant.

☐ PRIVACY ACT APPROVED. Public Law 93-579 (approved December 31, 1974, to become effective September 27, 1975) gives individuals substantial influence over the records concerning personal data that Federal agencies collect and use in making decisions about them. Key features:

—Agencies must inform individuals about these records.

—Individuals will have a right to review, copy, and amend agency records about them.

—Agencies must restrict the use of personal information to previously announced uses and get individual consent to use information for other purposes. OMB will provide guidance to all agencies on application of the law; CSC will be responsible for implementing it in matters pertaining to personnel management.

☐ PAY LIMITATIONS PROPOSED. In his State of the Union Message, President Ford recommended a 5-percent limit on Federal pay increases during 1975, and a 1-year maximum increase of 5 percent in any Government programs tied to the Consumer Price Index, including civil service and retirement pay, Social Security, and food stamps. Subsequently, the time frame was clarified to indicate that the proposed limitations would extend through June 30, 1976.

☐ HEALTH INSURANCE CLAIMS. The Commission has published procedures for resolving disputed claims between Federal employees and health insurance carriers. Comments were due by March 3; following careful review and consideration of the comments, final rules will be published.

☐ IPA GRANTS. Since the IPA program was first funded in fiscal 1972, $47 million has been awarded in grants, with about 40 percent of the money being expended on the training of State and local employees and 60 percent on personnel management improvements.

☐ PRAC CHANGES. Following a biennial review to assure adequate representation on the Prevailing Rate Advisory Committee, which advises the Commission on blue-collar pay matters, union membership now includes Paul J. Burnsky (Metal Trades), Clyde M. Webber (AFGE), Richard Galleher (AFL-CIO), Alan J. Whitney (NAGE), and Nathan T. Wolkomir (NFFE). Management members are Raymond Jacobson (CSC), Carl W. Clewlow (DoD), Ben B. Beeson (Army), Lloyd W. Grable (Navy), and Martin Wish (VA).

—Ed Staples

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GOVERNMENT PRINTING OFFICE
PUBLIC DOCUMENTS DEPARTMENT
WASHINGTON, D.C. 20402

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